

Article - Business Regulation

[\[Previous\]](#)[\[Next\]](#)

§5–707.

(a) In this section, “seller’s account” means:

(1) the total of specific funds deposited from all preneed burial contracts of a seller commingled in a single fund; and

(2) any income derived from investing the money in the fund.

(b) Trust accounts shall be administered as this subtitle provides.

(c) (1) Except as otherwise provided in this subtitle, a trustee appointed under this subtitle is subject to the law that is generally applicable to trustees.

(2) If a trustee appointed under this subtitle is not located in the State, the agreement between the seller and the trustee expressly shall incorporate this subtitle.

(d) A trustee:

(1) may rely on all certifications made under or required by this subtitle; and

(2) is not liable to any person for that reliance.

(e) (1) Except as otherwise provided in this subtitle, a trustee may invest money of a trust account in any security that is a lawful investment for a fiduciary, including a time deposit or certificate of deposit issued by the trustee.

(2) Except as otherwise provided in this subtitle, to ensure that money in the trust account is adequate, the trust income, including any realized capital gains, shall:

(i) remain in the trust account;

(ii) be reinvested and compounded; and

(iii) be disbursed only for payment of appropriate trustee’s fees, commissions, prorated proportional shares of total realized capital gains attributable to specific funds, and other costs of the trust account.

(f) A trustee may not use any preneed trust funds required to be held in trust in accordance with this subtitle to:

(1) purchase an interest in any contract or agreement to which the registrant, the permit holder, or any other person subject to the trust requirements of this subtitle, or any entity owned or under the control of a registrant, a permit holder, or any other person subject to the trust requirements of this subtitle, or a spouse, child, parent, or sibling of a registrant or any other person subject to the trust requirements of this subtitle is a party; or

(2) make any loan or direct or indirect investment of any kind:

(i) to any registrant, permit holder, or any other person subject to the trust requirements of this subtitle or to any spouse, child, parent, or sibling of a registrant or any other person subject to the trust requirements of this subtitle;

(ii) to or in any entity or business operations owned or under the control of a registrant, a permit holder, or any other person subject to the trust requirements of this subtitle, or a spouse, child, parent, or sibling of a registrant or any other person subject to the trust requirements of this subtitle;

(iii) on or in any real property of a cemetery or a crematory or the buildings or structures appurtenant to the property; or

(iv) in any permanent improvements of a cemetery, a crematory, the facilities of a cemetery or crematory, or the buildings or structures appurtenant to a cemetery or crematory.

(g) (1) A seller, on written notice to the trustee and in accordance with the agreement between them, may transfer the seller's account to another trustee.

(2) A trustee, on written notice to the seller and in accordance with the agreement between them, may transfer the seller's account to another trustee.

[\[Previous\]](#)[\[Next\]](#)